

City of Blue Lake
City Council Skinner Store – 111 Greenwood Ave., Blue Lake, CA
July 12, 2016
MINUTES

The Meeting was called to order at 7:02 p.m.

Councilmembers Present: Adelene Jones, John Sawatzky, Jean Lynch, Stephen Kullmann

Councilmembers Absent: Michele McCall-Wallace

Staff Present: City Manager Amanda Mager, Planning Commission Secretary Cheryl Gunderson

Motion to Approve the Agenda

Councilmember Jones pulled item 9b from the Consent Agenda. Councilmember Kullmann requested item 7 be moved before item 6. Councilmember Jones *motioned to approve the agenda after moving items 7 before item 6, and 9b from the Consent Calendar moved to follow items 9a and c.*

Councilmember Sawatzky seconded. The motion carried unanimously.

Public Input

None

Proclamation for Parks and Recreation Month – July, 2016

Councilmember Jones *motioned to accept the Proclamation to recognize the month of July, 2016 as Parks and Recreation Month, and further recognized Jennie Short for her service on the Parks and Recreation Committee.* Councilmember Sawatzky seconded. The motion carried unanimously.

Appointment of Planning Commission Vacancy for the New Term Ending June 30, 2020

Councilmember Jones *motioned to reappoint Planning Commissioner Richard Platz to the Planning Commission for a term ending June 30, 2020.* Councilmember Lynch seconded. The motion carried unanimously. Planning Commissioner David Glen, whose term ended June 30, 2016, offered to remain until he is no longer needed, but that he would only attend Planning Commission meetings in order for there to be a quorum.

Report to Council regarding Blue Lake Power Plant Operational Permit and Pending Consent Decree

Brian Wilson from the North Coast Unified Air Quality District (NCUAQD) presented Blue Lake Power's operational permits and the pending Consent Decree. He provided the history of the plant and the issues the plant has had. He described the Settlement Agreement and the Consent Decree. The Consent Decree will set new emission limits and other permit conditions to protect public health. He gave responses to the Comments received from the Public, but clarified that Public Comments are still under review. He stated that the permits are current and that there has been no lapse in the permits since the plant started up again in 2012. He added that the plant is scheduled to start operations in August, 2016.

Councilmember Jones asked who is on the Hearing Board. Mr. Wilson stated that the Board is comprised of a doctor, attorney, health and safety individual, and two citizens. The five are appointed positions.

Councilmember Jones also asked why the air quality standards for Blue Lake Power (BLP) are different than those of similar biomass plants. Mr. Wilson explained that the air is so clean in Humboldt County, we are in an attainment area, meaning that we don't have problems with certain pollutants. He also explained that there are 35 districts and they all have different standards.

Councilmember Lynch asked for an internet site that tracks particulates. Mr. Wilson responded that he provides that data at each Board meeting of the NCUAQD and it is not available on their website.

Councilmember Sawatsky asked if the NCUAQD can keep the citizen's health first and foremost. Mr. Wilson assured him that the NCUAQD is doing the best they can. All complaints are logged and acted upon. The complaint log is available to the public.

Councilmember Kullmann asked if BLP can restart the plant prior to the Consent Decree being finalized. Mr. Wilson said that they could. Councilmember Kullmann also asked how often BLP was out of compliance and what will be done if BLP is consistently out of compliance. Mr. Wilson explained that the permit allows for periods of upsets, breakdowns and repairs. Sometimes, he added, that BLP loses their incoming power from PG&E at no fault of their own. He further explained that any ongoing problems would be assessed fines and then action would be taken against BLP. He provided the complaint number to the Council. (707) 444-2233.

City Manager Mager expressed her concern that the \$700,000 in repairs required by the Consent Decree will impact the City receiving their rent income from BLP. She asked about the timing of closing the plant if BLP fails to pay for these repairs. Mr. Wilson explained that an analysis of BLP's financial condition includes the consideration of the costs involved to meet the demands of the Consent Decree, in order to insure it is a viable proposal. He detailed the one-year time frame of an action to shut down the plant, starting with a six-month study and multiple milestones throughout the year. City Manager Mager asked when the Consent Decree is likely to be approved by the court. Mr. Wilson stated that it may be the end of April, 2017.

The public was able to give their comments and ask questions of Mr. Wilson.

Councilmember Kullmann thanked Mr. Wilson for his enlightening presentation.

The Council took a five-minute break.

Resolution No. 1080: Resolution of the City Council of the City of Blue Lake Adopting A Budget for Fiscal Year Beginning July 1, 2016 and Ending June 30, 2017 and Finding the Budget to be within the Appropriations Limit Required by Article XIII B of the California Constitution; and Approving Supplemental Appropriations for the Fiscal Year 2015-2016 Budget

City Manager Mager presented the Budget for the fiscal year beginning July 1, 2016 and ending June 30, 2017. She explained that no monetary changes had been made since the Council's last review of the Budget, but that she had made changes to the formatting in order to make it easier to read and for the City Staff to work with.

A discussion ensued about the distribution of the City Manager's salary between funds and departments.

Councilmember Lynch questioned the allocation to the Water Reserve. City Manager Mager explained that a portion of the water revenues are set aside in an account to fund future major replacements.

Councilmember Jones asked if the salaries are changed yearly. City Manager Mager explained that a 3% merit increase has been budgeted for this year. A discussion ensued about the major cost to the City of health insurance. Options were considered for the future.

The contract negotiations with the Humboldt County Sheriff Department was briefly discussed and will be a future agenda item.

Councilmember Jones *motioned to adopt Resolution No. 1080: Resolution of the City Council of the City of Blue Lake Adopting A Budget for Fiscal Year Beginning July 1, 2016 and Ending June 30, 2017 and Finding the Budget to be within the Appropriations Limit Required by Article XIII B of the California Constitution; and Approving Supplemental Appropriations for the Fiscal Year 2015-2016 Budget.* Councilmember Sawatsky seconded. The motion carried unanimously.

Formation of a Blue Lake Economic Development Committee

The Councilmembers discussed the legality of the Committee and directed Staff to consult with the city attorney. They asked the City Manager to come back to the Council with a succinct plan of number of Committee members, how many months the Committee would convene and how often the Committee would meet.

Consent Agenda

Councilmember Jones *motioned to approve the Consent Agenda with the exception of item b, which was pulled from the Consent Agenda and discussed separately:*

- a. Minutes from June 28, 2016*
- c. Financial Report for May 2106*

Councilmember Sawatsky seconded. The motion carried unanimously.

Councilmember Jones inquired of two checks on the Check Report. City Manager Mager explained the checks in question. Councilmember Jones *motioned to accept Consent Agenda item b. Warrants and Disbursements for June 2016.* Councilmember Sawatsky seconded. The motion carried unanimously.

Councilmember Lynch *motioned to continue the meeting past 9:30.* Councilmember Jones seconded. The motion carried unanimously.

Informational Items Only:

- a. Blue Lake Safety and Audit Work Plan for Fiscal Year 2016-2017
- b. JPA Minutes
- c. Updated list of Vacancies on Council Commissions
- d. Public Notice of Election November 8, 2016

Reports of Council and Staff:

Councilmember Jones reported on the Chamber of Commerce meeting.

Councilmember Sawatsky reported on the Public Safety meeting. He made special mention of the "Friends of the Park" flyers that are posted around town.

Councilmember Lynch invited the public to the Pints for Non-profits on July 20th at the Mad River Brewery, benefitting the Parks and Recreation Department.

Councilmember Lynch reported on the Redwood Coast Energy Authority meeting.

Councilmember Kullmann reported on the RCA Environmental Review Group meeting.

Councilmember Kullmann reported on the Mad River Alliance Steelhead Survey he will be participating in on July 14 and 15.

Future Agenda Items:

- Blue Lake Economic Development Committee

Correspondence:

None

Motion to Adjourn:

Councilmember Sawatsky *motioned to adjourn*. Councilmember Jones seconded. The motion carried unanimously. The Meeting adjourned at 9:40 p.m.

Cheryl Gunderson
Planning Commission Secretary